

[H.A.S.C. No. 114-114]

HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2017

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED  
PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

---

SUBCOMMITTEE ON READINESS HEARING

ON

**THE DEPARTMENT OF THE NAVY 2017  
OPERATIONS AND MAINTENANCE BUDGET  
REQUEST AND READINESS POSTURE**

---

HEARING HELD  
MARCH 17, 2016



---

U.S. GOVERNMENT PUBLISHING OFFICE

20-066

WASHINGTON : 2016

SUBCOMMITTEE ON READINESS

ROBERT J. WITTMAN, Virginia, *Chairman*

ROB BISHOP, Utah	MADELEINE Z. BORDALLO, Guam
VICKY HARTZLER, Missouri	SUSAN A. DAVIS, California
AUSTIN SCOTT, Georgia	JOE COURTNEY, Connecticut
ELISE M. STEFANIK, New York, <i>Vice Chair</i>	JOAQUIN CASTRO, Texas
FRANK A. LoBIONDO, New Jersey	TAMMY DUCKWORTH, Illinois
MIKE ROGERS, Alabama	SCOTT H. PETERS, California
CHRISTOPHER P. GIBSON, New York	TULSI GABBARD, Hawaii
RICHARD B. NUGENT, Florida	BETO O'ROURKE, Texas
BRAD R. WENSTRUP, Ohio	RUBEN GALLEG0, Arizona
SAM GRAVES, Missouri	
STEVE RUSSELL, Oklahoma	

MARGARET DEAN, *Professional Staff Member*

VICKIE PLUNKETT, *Professional Staff Member*

KATHERINE REMBER, *Clerk*

# CONTENTS

	Page
STATEMENTS PRESENTED BY MEMBERS OF CONGRESS	
Bordallo, Hon. Madeleine Z., a Delegate from Guam, Ranking Member, Subcommittee on Readiness .....	2
Wittman, Hon. Robert J., a Representative from Virginia, Chairman, Subcommittee on Readiness .....	1
WITNESSES	
Howard, ADM Michelle J., USN, Vice Chief of Naval Operations, U.S. Navy; VADM Philip H. Cullom, USN, Deputy Chief of Naval Operations for Fleet Readiness and Logistics; and VADM John C. Aquilino, USN, Deputy Chief of Naval Operations for Operations, Plans, and Strategy .....	3
APPENDIX	
PREPARED STATEMENTS:	
Howard, ADM Michelle J., joint with VADM Philip H. Cullom and VADM John C. Aquilino .....	32
Wittman, Hon. Robert J. ....	31
DOCUMENTS SUBMITTED FOR THE RECORD: [There were no Documents submitted.]	
WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:	
Mr. Scott .....	47
Ms. Stefanik .....	47
QUESTIONS SUBMITTED BY MEMBERS POST HEARING: [There were no Questions submitted post hearing.]	



**THE DEPARTMENT OF THE NAVY 2017 OPERATIONS AND  
MAINTENANCE BUDGET REQUEST AND READINESS  
POSTURE**

---

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
SUBCOMMITTEE ON READINESS,  
*Washington, DC, Thursday, March 17, 2016.*

The subcommittee met, pursuant to call, at 9:37 a.m., in room 2118, Rayburn House Office Building, Hon. Robert J. Wittman (chairman of the subcommittee) presiding.

**OPENING STATEMENT OF HON. ROBERT J. WITTMAN, A REPRESENTATIVE FROM VIRGINIA, CHAIRMAN, SUBCOMMITTEE ON READINESS**

Mr. WITTMAN. The Subcommittee on Readiness of the House Armed Services Committee. I want to thank everybody for joining us today. And our hearing today is going to be on the Navy's 2017 operations and maintenance [O&M] budget request and readiness posture.

This is the final of our series of four hearings on the services' budget request and readiness postures. This week, Admiral Howard, you testified before the Senate Armed Services Committee that sequestration, in your words, is the "greatest threat to our future readiness. It has a ripple effect for us through the years."

Today, I look forward to hearing how the Navy's budget request enables a readiness recovery plan and where we continue to take risks calculated in terms of both risk to the force and risk to the mission.

I would like to welcome all of our members and the distinguished panel of senior Navy leaders present with us today. This morning, we have with us Admiral Michelle J. Howard, U.S. Navy, Vice Chief of Naval Operations; Vice Admiral John Aquilino—I will get it right—don't worry, Admiral—U.S. Navy, Deputy Chief of Naval Operations for Operations, Plans, and Strategy; and Vice Admiral Philip H. Cullom, U.S. Navy, Deputy Chief of Naval Operations for Fleet Readiness and Logistics.

Thank you all for testifying today, and we look forward to your thoughts and insights on these important issues. The purpose of this hearing is to clarify the Navy's choice for its budget requests, to address funding priorities and mitigation strategies, and to gather more detail on the current and future impacts of these decisions on operations, maintenance, training, and modernization. Most importantly, does the Navy have the resources it requires in order to improve its state of readiness?

Once again, I want to thank our witnesses for participating in our hearing this morning, and I look forward to discussing these important topics.

And now I would like to turn to our ranking member, Madeleine Bordallo, for any remarks that she may have.

[The prepared statement of Mr. Wittman can be found in the Appendix on page 31.]

**STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE FROM GUAM, RANKING MEMBER, SUBCOMMITTEE ON READINESS**

Ms. BORDALLO. Thank you very much, Mr. Chairman, for calling this hearing.

And I would like to also welcome Admiral Howard, Vice Admiral Aquilino, and Vice Admiral Cullom. I want to thank you all for your service to our great Nation and for being here today.

This is the fourth and the final service-oriented hearing that we are holding in this subcommittee to examine the fiscal year 2017 budget request. We have heard several common themes echoed by commanders in your sister services. And I will be interested to hear if they ring true from your perspectives as well.

Budget constraints and continued funding unpredictability, resulting from years of sequestration and continuing resolutions [CRs], have hampered the ability of the services to man, train, and equip the forces they need to fill critical mission requirements.

We have also heard how installation readiness has been compromised and long-term projects have been shelved in favor of more pressing needs. This has secondary and great impacts and will create more significant funding requirements for military construction in the years to come.

And, as I have mentioned before, I do remain concerned about depot-level maintenance capabilities, including dry-dock capabilities in the Western Pacific. I believe these capabilities are lacking, and the Navy is not investing enough to support its forward deployed fleet in the Western Pacific. We have these requirements and we must make the right investments, as this is a key to readiness in the region.

In particular, I have serious concerns about the Navy's assessments and will continue working to ensure that our forward deployed assets have quality and secure maintenance that American workers and equipment provide without losing weeks of presence. Through our discussion today, I hope that we can gain a better understanding of how the Navy plans to maintain readiness through personnel, training, and infrastructure improvement.

So, again, ladies and gentlemen, I thank you, again, for your service, and I look forward to hearing your testimony.

And with that, I yield back, Mr. Chairman.

Mr. WITTMAN. Thank you, Mrs. Bordallo.

Admiral Howard, I have been told that you will be making one opening statement on behalf of all the witnesses, so please feel free to proceed. And, as a reminder, your written testimony has already been made available to the members and also will be entered as an official part of the record of today's hearing.

**STATEMENT OF ADM MICHELLE J. HOWARD, USN, VICE CHIEF OF NAVAL OPERATIONS, U.S. NAVY; VADM PHILIP H. CULLOM, USN, DEPUTY CHIEF OF NAVAL OPERATIONS FOR FLEET READINESS AND LOGISTICS; AND VADM JOHN C. AQUILINO, USN, DEPUTY CHIEF OF NAVAL OPERATIONS FOR OPERATIONS, PLANS, AND STRATEGY**

Admiral HOWARD. Thank you, Chairman Wittman.

Chairman Wittman, Ranking Member Bordallo, and distinguished members of the committee, it is my honor to represent the thousands of Navy sailors and civilians who sustain operations around the globe.

I appreciate the opportunity to testify on the current state of Navy readiness and the projected changes to that readiness with the fiscal year 2017 budget request. This budget submission provides the resources for our deployed forces and supports our continued readiness recovery efforts.

This submission also contains the hard choices and tradeoffs we made to achieve future warfighting capability. In a design for maintaining maritime superiority, the Chief of Naval Operations [CNO], Admiral Richardson, has challenged the Navy team to meet the demands of our mission along four lines of effort.

First, the readiness funding account directly contributes to the line of effort strengthening naval power at and from the sea. Navy readiness organizations are actively engaged in efforts to meet the second line of effort to achieve high-velocity learning at every level by investing in our sailors through new and reinvigorated training programs. We support the third line of effort, to strengthen our Navy team for the future, by employing innovative training methodologies to accelerate productivity of new shipyard employees.

Lastly, we strive to expand and strengthen our network of partners in order to meet our most critical challenges. We have reached out to industry to address our shipyard and aviation depot workload. Our budget request supports this design and, if executed, will result in continued operational excellence throughout our Navy.

The demand for naval assets by the global combatant commanders remains high. And Navy continues to provide maximum sustainable global presence. Supporting this posture requires a commitment to protect the time and funds needed to properly maintain and modernize our force. Full recovery of the material readiness of the fleet is likely to extend beyond 2020. Stable funding, improvement in on-time execution of ship and aviation depot maintenance and steady state operations are required to meet our fleet readiness goals.

As we proceed on the road to recovery for our afloat operational units, we continue to do so by taking conscious risk in the maintenance of our shore infrastructure. To mitigate impacts ashore, Navy has made difficult decisions and focused on items directly tied to our primary missions.

As a tradeoff, Navy continues to postpone much-needed repairs and upgrades for the majority of our infrastructure. Continued shortfalls in our facility sustainment will eventually have effects on our at-sea readiness model. Failing to plan for these necessary investments will continue to slow our future recovery.

We are still paying down the readiness debt we accrued over the last decade, but more slowly than we would prefer and at continued risk to our shore infrastructure. Powered by exceptional sailors and civilians, your Navy is the world's finest, and we are committed to retaining our superiority.

This budget represents a margin of advantage over our adversaries. That margin could be lost if we do not achieve stable budgets. We will only maintain our status as the world's greatest navy with constant vigilance, dedication to restoring our readiness, and a commitment to sustained forces around the globe.

I extend my thanks to this committee for your efforts and continued support. Thank you.

[The joint prepared statement of Admiral Howard, Admiral Culom, and Admiral Aquilino can be found in the Appendix on page 32.]

Mr. WITTMAN. General Howard, thank you. I appreciate all the hard work the Navy has done in restoring readiness.

My question along those lines is, as you look at the Navy's readiness recovery plan and how it defines setting the conditions for readiness recovery, a couple of different elements come to mind. First of all is, can you lay out for us the timeframes and when you will get to full-spectrum readiness? I think those are important to understand the steps we need to take and how long it takes for us to get there.

Secondly is, along the way—and you—the Navy has assumed some risk in previous years. On the path to restoring readiness, there will also be some core functions where you assume some risk. If you could, lay out where you see risk being assumed and what you are doing to manage that, in the best way possible, as you are re-establishing readiness.

And then thirdly is, the fiscal year 2017 budget that you spoke about provides you the resources in the readiness recovery. Does that do enough for you to get back to a state of full-spectrum readiness as quickly as you believe is attainable by the Navy?

Admiral HOWARD. Thank you, Congressman.

In order to talk about the timeframe, I need to explain how we invest in our forces in order to maintain a ready fleet. We have a fleet where we prioritize the readiness of the units that are forward deployed and the readiness of the assets that are going out the door.

We generate forces that are fully prepared to do the full spectrum of operations. And so for us, it is as if we have this team of assets but, like every good team, we have a bench. And that bench is the assets that are the next ready to go or the assets we have if we ever have to get into a war fight. We refer to that bench as our surge capability.

So we invest to make sure that, as people are required to do their daily operations, they are ready. Where we have made choices, our ability to surge, that bench, has become smaller. We have lowered the readiness of those assets and, in some cases, the readiness was lowered because we consumed that readiness.

Over the last 10 years, we have operated at a higher operational tempo and we have had more ships out there. And we have had ships out there for much longer deployments than we had seen in



the previous 10 years. It was not unusual for ships to be on 9- and 10-, and get extended sometimes, to 11-month deployments.

And so, then, as those ships came back, we had to start working our way through getting them through maintenance. And, as we operated longer and harder, then the work we needed to do in the overhaul started to increase.

With this budget, we will start working through the maintenance requirement to reset the force. The force will be fully recovered sometime just outside of the FYDP [Future Years Defense Program]. But there is another piece that is really important for the Navy to recover their readiness. We are required to still operate but, in order for us to get to an end state where the entire fleet is recovered, we have to manage the amount of fleet that is out.

So we have determined that we can have about one-third of the fleet out and about while we are maintaining and then training the rest of the fleet but that, in the end, when you look at a 36-month, from maintenance-to-deployment cycle, it means our deployments need to be at about 7 months in order to get those ships back, to get to maintenance, in order to have the time to train the crew back up for the next deployment.

So we have gone to an Optimized Fleet Response Plan [OFRP], where we will deploy the ships in 7-month deployments. And we have to be disciplined and hang onto that plan in order for us to get to recovered readiness.

And then I would like to allow Admiral Cullom—see if there is anything—other specifics he would like to add. Thank you.

Admiral CULLOM. Yes, sir.

What I would like to add on the—because on the second part of your question you asked about what the risk areas were. And one of the principal areas, as we try to support as many of the things that we can forward, is what do we have back home where we can take a conscious risk in, a deliberate risk, and be able to utilize those to be able to ensure that whatever goes forward, in support of our sailors and marines, actually is at that high-end and capable of full-spectrum.

So, where we have taken a lot of that risk, really, is in three areas on the shore—the recapitalization of the shore, maintenance of the gear that we already have out there and, in some cases, the operations as well.

Now, we have tried to protect the things that are really important, things that are important for our personnel—the child development centers and unaccompanied housing for our personnel. We have also tried to put a great focus on the nuclear enterprise, because those things are essential for actually contributing to the operations out there.

Anything that is fully supportive of those things, communication centers, you name it—all of those things have a great sense of priority for us. And we try to garner our dollars in the shore area, in those areas to the critical infrastructure, the critical components within the critical infrastructure and then, in that way, try to keep those things at the highest level we can.

We are monitoring every facility and every component within those facilities as well and then listening to the operational commanders out there, the fleet commanders, to make sure that we are

not neglecting things that are essential for rebuilding that readiness—in the shipyards, in particular.

Mr. WITTMAN. Well, thank you. I appreciate you kind of laying out how the Navy does readiness in the tiering method to where the forward deployed units are ready to go, 100 percent ready, and then, as they come back, they go into a down mode and then a pre-deployment mode, so we appreciate that.

The Optimized Fleet Response Plan, I think, is critical to make sure that that is followed, and I couldn't agree more. And I understand the world gets a vote in that, so.

But doing that not only helps in the infrastructure of the fleet but it also helps, too, in the retention of sailors because there is nothing worse for a Navy family, then, to say, "Hey, listen we are planning on a 7-month deployment" and, guess what, it turns to 8 months or 9 months or 10 months.

So, to make sure we keep those great sailors and their families, I think OFRP will go a long way to do that. So, we appreciate you laying that out. And, obviously, it takes a while to mitigate the risk that you assume for those units that come back and are waiting to get into the pre-deployment cycle.

And, as you said, that surge capacity, then, has a different aspect to it if you are looking at it as far as what you can project forward as far as force.

So we really appreciate that. And I want to come back and ask you some questions. I want to dive in a little bit more on the infrastructure issues because I think they are important too, which is where you have assumed some risk and what we are doing to rebuild that back into our readiness recovery plan.

But, with that, I will go to Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

General Howard. Did I say General Howard?

Admiral HOWARD. Yes, ma'am, but I get paid the same.

Ms. BORDALLO. Admiral Howard, it is right here in my notes. Since 2006, the Navy has nearly doubled the percentage of the fleet assigned to overseas home ports which, among other effects, results in economic losses in the United States shipyards as maintenance work shifts overseas.

How has shifting the maintenance workload abroad for ships homeported overseas impacted the United States shipyard health and productivity? And in addition to economic losses, what risks to national security are accepted by having integral maintenance completed by foreign workers in overseas shipyards?

Admiral HOWARD. Ma'am, although we have shifted our fleet, the sad news is, the size of our fleet has actually gotten smaller when you look at the last 15 years. On 9/11, we were probably at well over 300 ships and we are at 272 today, ships and submarines. We are working our way back up to a recovery of 308 ships.

The strength of the Navy is our mobility, and we still do a lot of our repair work in our fleet concentration areas. For the health of the shipyards, we have recognized the functional workload has been going up.

And then, this last year, thanks for the support from this committee and others, we have started—we have gone on and continued to hire up to 3,500 shipyard workers. And we have also, for our

aviation side, continued to hire the artisans in order to do aircraft depot work.

When we have a ship that is overseas, we have different maintenance models for those different ships. So some of the ships do come back stateside for work. Some of them we have, U.S. workers are on flyaway teams that go out to do the repair work of the ship. And then, in some cases, particularly for voyage repairs, if it is too difficult for the ship to get back stateside, we will, of course, have to work with our allies to make sure that those repairs are done.

Ms. BORDALLO. Yes. Well, what about the security aspect?

Admiral HOWARD. Ma'am, whenever we go into port, whether it is for repairs or anything else, we are very conscious about the security of the ships and the assets.

Ms. BORDALLO. Well, even if they are allies, still, we are going into foreign shipyards with foreign workers. What would be the reason? Is that because of the lower wages and the cost?

Admiral HOWARD. So, ma'am, when we are working our way through maintenance, just like here, stateside, for maintenance, we competitively bid out these contracts. We are required to be responsible stewards of the taxpayers' money and make sure that we get good repair work for the appropriate cost.

Ms. BORDALLO. Admiral, I have another question for you.

The Navy's fiscal year 2017 budget is predicated on three enabling legislative initiatives in order to free up funds to recover readiness.

Now, how will the Navy respond and recover readiness if the Congress does not agree to deactivate a carrier air wing, induct seven cruisers into phased modernization, or eliminate the National Defense Sealift defense?

Admiral HOWARD. Ma'am, first of all, I appreciate the dialogue and the conversation in this area.

So, for example, let me start with the cruiser modernization. This is one where, when we look at the requirement for 88 large surface combatants, which is part of our force, our most recent force structure assessment, we tend to think about the size of the Navy just across the FYDP because we are having a budget discussion.

But in the end, that 308-ship Navy and the different ships with the different missions—we need to have that across the future Navy as well.

And so, I know you are aware, we put out a 30-year ship plan. We keep our ships for 30, 40, or 50 years.

What we see is based on when we built the ships and how many we bought at one time. We were starting to see a bathtub in our large surface combatants out in the 20s and 30s.

We now have 11 carrier strike groups—the potential for that, with 11 carriers. The cruiser is primarily the air defender for the carrier. So we realize we can keep 11 cruisers online, one for each carrier strike group, and then place 11 into a modernization cycle.

So then when those first, the ones that are still online, go offline, that cruiser that has been modernized and upgraded will now take its place. Then that allows us, then, to extend the service life of half of the cruisers out across the 40s preventing that bathtub.

In the end, just with that one program, the cruiser modernization program, if we do not get congressional support, we would be

looking at trying to generate \$3 billion across the budget in order to pay for those cruisers instead of having them modernized, trying to keep them as active units. And that will impact other areas, potentially our readiness account and our personnel account.

Ms. BORDALLO. Thank you, Admiral.

I have another question, but I am going to—I know you are—the vote is coming up, so Mr. Chairman, I yield back.

Mr. WITTMAN. Thank you, Ms. Bordallo.

We will now go to Ms. Stefanik.

Ms. STEFANIK. Thank you, Mr. Chairman.

And thank you to the panelists for being here today to testify and for your service to our country.

Today, as you are well aware, America's Navy faces major issues like longer deployment schedules while managing a shrinking fleet, the volatility of the ship repair industry, and the ongoing strike fighter inventory management challenges.

So, as our Navy and our sailors are facing great fiscal constraints, I am concerned with the new Unisex Uniform Initiative, which will not only burden the Navy with an estimated \$7 million bill but, on top of that, only our female sailors will be encumbered with out-of-pocket expenses collectively totaling \$4 million, a hefty price tag of \$400 per individual female sailor.

Wouldn't you agree that this money would be better spent on necessities like household costs, groceries, and utilities? And do you think it is fair that only our female sailors are encumbered with this out-of-pocket \$400 cost?

Admiral HOWARD. Ma'am, I have been in the Navy a long time and have gone through many uniform changes over my lifetime. And, in this case, the uniforms will be phased in, just like they are phased in so that we look at not trying to make the sailors, all at once, pay for the costs. But then that allows them—as their older uniforms get through wear and tear, they were going to have to buy another uniform anyway, and then we move them into the newer uniform.

The Uniform Initiative, to get us to have a common appearance—I need to let you know that when I was a midshipman at Annapolis and I was in my whites, that looked very different from the men. I didn't understand why.

I also came into a Navy that initially didn't have trousers for women. And it is just a pure functional aspect of actually going to sea and being able to do the job that there are certain uniforms and the way they look have got to support all of us, male and female, so that we are safe at work.

Ms. STEFANIK. Admiral Howard, I understand and I am very thankful for your service and leadership to your country.

But I am concerned that there was a 71 percent dissatisfaction rate among the Navy's own test group with these proposed changes. Does that concern you that 71 percent of our sailors do not support this initiative?

Admiral HOWARD. Ma'am, I will have to go back and look at that. I do know that the one uniform, the pilot on the chokers, was very well received. But I will go back and look into the dissatisfaction rate, absolutely.

Ms. STEFANIK. I would like to follow up with you on that.

Admiral HOWARD. Absolutely.

Ms. STEFANIK. So I appreciate that. And then I want you to explain to us today—and you touched on it, but what is the operational necessity that these changes reflect?

Admiral HOWARD. Ma'am, the issue of good order and discipline, when you think about—and it is—I wouldn't phrase it in operational. I would phrase it in our service and who we are, as culturally, and who we are as an ethos.

The sense of uniformity and being a part of a team is central to all of our military. And then, for me, it is the functionality of the uniform and making sure that it is appropriate for both our men and women, that they can do their job, specifically.

Ms. STEFANIK. So is there an operational necessity?

Admiral HOWARD. Ma'am, for all of us, for our uniforms, they identify who we are, and they are part of—

Ms. STEFANIK. But specifically the changes—no, not just the uniforms, but the proposed changes—is there an operational necessity that is driving these proposed changes?

Admiral HOWARD. Ma'am, when we talk about uniforms and operational necessity, I am not sure that is the way to frame the question.

Ms. STEFANIK. Okay, I appreciate that. I look forward to getting your response on—

Admiral HOWARD. On the dissatisfaction rate?

Ms. STEFANIK [continuing]. On the 71 percent dissatisfaction rate among our Navy sailors.

Admiral HOWARD. Yes, ma'am.

[The information referred to can be found in the Appendix on page 47.]

Ms. STEFANIK. And I yield back.

Mr. WITTMAN. Thank you, Ms. Stefanik.

We will now go to Mrs. Davis.

Mrs. DAVIS. Thank you. Thank you, Mr. Chairman, and thank you all for being here.

And, Admiral Howard, of course, I have to say, we greatly appreciate your being such a strong role model and have attained this position. It is quite remarkable and we appreciate it.

I wonder if you could talk a little bit about sort of translating some of this to our constituents and certainly even to some of our colleagues that are in other committees.

We know that readiness really doesn't have a constituency. And on this committee we have really had an opportunity, I think, to look at readiness, probably more than in other years that I have been sitting here on the committee and been in the Congress, since 2001.

And how would you, in as quick a way as possible, give one example of why it is so important for us to focus on readiness but, more than that, to fix the budget mess that we are in?

Admiral HOWARD. Ma'am, the lifeblood of our Navy is our people. And the sailors deserve assets. The ships they serve in have got to be ready to fight. The gear they have has got to be ready to fight.

And they have to be trained to be ready to fight. And they deserve no less than the best in quality that we can provide them. So, in some ways, those sailors who represent every State, territory

and, honestly, countries from around the world—we have sailors who are not U.S. citizens. They have given—

Mrs. DAVIS. Many actually.

Admiral HOWARD. Yes. They have committed to this Navy and to this Nation to protect the Constitution. But, as I have traveled and I have looked at the individual elements of readiness, I am astonished, just as our sailors are, from around the country. When you look at the shipyards, we think of them as being on the coast. But then, you look at all the parts that go into ships, those, also, are from around the country.

And there are some—I went to visit Milwaukee Valve Company in Wisconsin. And I went there because I read about them in a newspaper article. They make most of the valves for our carriers. It wasn't until I went there, in Prairie du Sac, Wisconsin, that I found out they make most of the valves for all of our amphibious ships.

And they make 2,000 valves for each of the *Virginia*-class submarine. This is a treasure in the middle of the Nation. And those public workers—those, literally, are making a difference to my Navy by what they produce.

And so we are the sons and daughters of this entire country. And readiness means that we are ready to fight and we are ready to operate. And our sailors deserve no less.

Admiral CULLOM. Ma'am, if I can add one other point to that?

Mrs. DAVIS. Yes.

Admiral CULLOM. If we fail to properly support readiness for our sailors, in the event of a crisis, then the units that are on that bench, they may end up being called to deploy on very short notice, almost immediately, in some cases, or it will take us additional time to be able to prepare those forces to go respond.

And what does that really mean? It means risk to our mission, accomplishing it safely and properly. And that risk to the mission translates directly back to risks to our people.

And so that is the importance for our sons and daughters from everywhere around the Navy that come from every State and territory. And that is why we owe it to them to do that.

Mrs. DAVIS. Thank you.

Admiral CULLOM. Thank you, ma'am.

Admiral AQUILINO. Ma'am, if you don't mind, I think the best answer is we are ready to take whoever you would like out to see the fleet in action. And that is, I think, the best way to understand it, although no constituency is what is required to put a Navy to sea.

Today your Navy is 272 ships, as the Vice Chief said. I will tell you that, as we sit here right now, 148 of them are either forward deployed, forward stationed, or underway training. That is, 54 percent of your Navy, as we sit here today, is operating. And the best way for people to understand that is come out and see, and we can help you with that if you would like.

Mrs. DAVIS. Great. Thank you. I think that we are going to move on, because we are trying to get some more done.

Thank you, Mr. Chairman, appreciate it. Thank you.

Mr. WITTMAN. Thank you, Mrs. Davis.

We will now go to Mr. Russell.

Mr. RUSSELL. Thank you, Mr. Chairman.

And thank you, Admirals, for being here today.

What do you see as the greatest threat to readiness? I would be curious of each of your opinions.

Admiral HOWARD. I would like to start, Congressman. Thank you for that question.

For the Navy, particularly because we are capital ships, we need stable budgets. We sometimes are required to purchase in a multi-year. But I will tell you, when we sequestered in 2013, we not only had to cancel deployments—I was down at fleet—we had to delay the deployment of the *Truman* to generate savings in our O&M account, and then we had to delay maintenance. And having our ships repaired is at the heart of readiness.

So if we cannot get out of—underneath this shadow of sequestration, and then if we end up sequestering, that will have a terrible impact on our operational ability. But we also need stable budgets and so that we can plan and build ships for the Navy of the future.

Mr. RUSSELL. Thank you.

Admiral CULLOM. Yes, sir. And what I would add to what the Vice Chief said is that—what she mentioned about sequestration and what happened with that. As you all well know, the money came from all the wrong places, and that had second- and third-order effects that have followed us for a number of years after that. The stability of the budgets is very critical and important as well.

But another very challenging footnote to all of this, as well, is the continuing resolutions, because if we are unable to be able to quickly move ahead each year on a budget, then we are waiting until way too far into the year and then we end up sub-optimizing where that money can ultimately go in a whole range of different accounts.

And so we could—we certainly appreciate what you are trying to do to help us in that regard, and thank you for the question.

Admiral AQUILINO. And, sir, I will give you the operational snapshot of that, is, again, your Navy, based on those numbers, we are not only trying to reset readiness, but we are doing it in stride.

So no peace dividend where everybody came back and we are trying to get the ships fixed. We are still deployed at virtually the same rate we were during the height of the two wars with less numbers of ships.

So the challenge is in understanding how the Navy is trying to reset readiness while, at the same time, understanding we remain forward. We are providing leadership options in time of crisis. We are providing deterrence against increasing number of adversaries, I would say. We are assuring and reassuring our allies.

So all of those things, if you understand how we are operating, that will help you get to, I think, the financial answers that the Vice Chief and Admiral Cullom gave.

Mr. RUSSELL. And I appreciate those answers. That was my own experience in my decades in the service that the budgets commanders end up having to have knee-jerk reactions. You are one-third into the year before you have any kind of spending, then you are rushing to waste the dollars to try to catch up. It has a lot of volatility on the warriors.

With regard to those convulsions, as we continue to take risks with our Nation's defense, I believe, beyond our ability—I will say

it—I think we are cutting too deep. I think we are putting our Nation at risk.

How do we retain the sailors that have the experience? We can't create them overnight when we see emergencies happen. Sailors and marines, soldiers, will have to stay alive long enough until the Nation can catch up to them.

And that, typically, historically, from tricorne hats to today, has taken about 2 years. How are you mitigating this and trying to retain the best sailors' experience in these cuts and have you been able to address it?

Admiral HOWARD. So, Congressman, we are, in terms of where we are in our end strength, in a slightly different place than our counterparts. From the time 9/11 started over the last—the first 10 years, our Navy actually came down in size. As I said, we were above 300 or well over 300 ships. We were at 14 carriers. And now we are down to 272 ships.

Our force size came down as well, several thousand people. We have stabilized at around 322,000 to 324,000 people over the last few years. And we are projecting we are probably going to stay at that. And then, as we build up into a 308-ship Navy—with this budget we should be at 308 ships by the end of the FYDP—then we might have some changes in that force structure.

So, right now part of this is, as Congressman Wittman pointed out, stable deployment cycles, steady state predictability to our sailors is very important—that they, in an operational tempo, that they can have the proficiency but it doesn't exhaust them.

And then, in terms of actual retention, we started looking at this a couple of years ago and came up with "Sailor 2025." We are a technologically focused force and, for us, when the economy is good, our nuclear powered engineers, our aviators, all of our engineers have other options where they don't have to deploy and get separated from the family. And, quite frankly, they will get paid more money for the skills, these wonderful skills and education that they have.

So we have looked at the quality that we provide of life and service that we provide our sailors and have looked at education programs, internships outside of the Navy where they can get some experience and bring innovative ideas back into the Navy.

For quality of life, we have expanded child development center hours. You will appreciate this. We finally have started to expand our fitness centers so that the sailors can go in at any time, and we are working our way across the fleet. And then we have gone to a 12-week maternity leave to allow our sailors to manage parenthood and that work-life balance.

Thank you for the question.

Mr. WITTMAN. Thank you, Mr. Russell.

We will now go to Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

And thank you to the witnesses.

And, Admiral Howard, your testimony kind of lays out the balancing act that the Navy has right now in terms of shipbuilding, operations and maintenance.

And then, I think, sometimes it is hard for people to decipher exactly where the hit is. But I would like to just sort of focus on



pages 5 and 6 of your testimony, which is on the shore infrastructure, which, Admiral Dixon Smith was here earlier this year and, again, sort of walked us through—how, with MILCON [military construction] you have had to really sort of prioritize where those dollars are going, more towards implementing construction for new systems and new platforms as opposed to sort of the regular blocking and tackling of MILCON in terms of the shore infrastructure.

So I wonder if you could just kind of talk about that a little bit because, again, I think it is important for members and also people watching this to realize that there has really been this sort of trend where that kind of MILCON has kind of paid the bill over the last 5 or 6 years or so. And so maybe you could talk about that a little bit.

Admiral HOWARD. Thank you, Congressman.

So our MILCON has—our military construction dollars has gone down as we have tried to get to a balanced budget. And so, where we would completely recapitalize, that forces us to make a priority list. And then the items that go to the top of the priority list are going to be the items that are for the health and safety of the Navy or the larger community. So we realize there are going to be utility services or water treatment plants that are going to have to be replaced.

Then, sometimes, when you get into facility sustainment, an HVAC [heating, ventilating, and air conditioning] system might have to be replaced for the health of the people, and then the war-fighting effectiveness goes. So if we have a runway that is ashore that is used for training before people go out to sea, that runway will take priority.

But then there are other items that, as the dollars—we know work needs to be done, whether it is reworking quarters for our sailors, training facilities, all those—we are accumulating a backlog of work, because we don't have the dollars to get at it.

And I would like to have Admiral Cullom provide some more specifics.

Admiral CULLOM. Yes, sir.

What I would like to add to that is that, as you were pointing out, where we are at, and that is that area where we have taken a portion of that risk and we have triaged where that goes. And I think Admiral Smith may have talked about this a little bit in his testimony. We are at the lowest point since 1999 in terms of the funding to it, but, where we prioritized it to, were the things that the combatant commanders need out there.

So whether it is in Djibouti or in Guam or in the coastal campus in California, Seal Beach; things in San Diego; Keflavik, Iceland—those are all things that the combatant commanders have specifically asked for.

New platforms—as we are bringing the new ones online, we have to have the facilities for those. So we have taken a great priority for the Growler, the maintenance hangars for that. F-35, obviously, needs some things to support it so we are putting priority to projects there. The Triton, the unmanned systems, they need similar types of things.

And then the next one is kind of utility upgrades because those are things that, when they go bad, they go bad very badly, and you

have fires and you destroy lots of things. So we are really trying to focus on ensuring that we replace those things that we know and MILCON projects that upgrade power plants at PMRF [Pacific Missile Range Facility] out in Hawaii, up at Balboa, Sasebo, Bangor, a number of things there.

And then shipyards—and shipyards have a very high priority because we can't really do our job unless those shipyards are able to be as efficient as they humanly can, because that is how we are going to get that reset of those, the capital ships, done.

So we focused very heavily on not only the public yards, which we have in Bangor and Bremerton and Portsmouth, to do a lot of refit facilities and fix things that—a lot of that infrastructure is very, very old.

And then, finally, things on weapons of mass destruction. We have a training facility that we needed to do there. So that is where that first tranche of it went. After that we have many other things on MILCON projects, as the Vice Chief articulated.

Mr. COURTNEY. Great, thank you.

Again, I am not being critical at all. I just think it is sort of helpful to sort of lay it out so people can understand, while we are not in the same environment for MILCON that we were when I first came to Congress back in 2006 and 2007. And this is helpful.

So, I yield back.

Mr. WITTMAN. Thank you, Mr. Courtney.

We will now go to Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Ma'am, gentlemen, thanks for being here.

And one of the things that I think we don't talk about enough is the fact that the U.S. coastline is our largest border, and that is the most likely place that we would be, I believe, attacked from. I think it would be unlikely for an enemy to come through Canada or Mexico without our ability to certainly see it coming and address it before it got to the U.S. It is the Navy that protects that coastline.

And I think we should talk about that more, and how big that coastline is and just how much of the sea that you have to guard to protect Americans.

Admiral Cullom, you answered this question a little bit, but if you could speak again to the fact, the uncertainty creates as many problems, if not more problems, as the actual funding reduction and the lack of timeliness and what the continuing resolutions have done with regard to the inefficiencies.

Admiral CULLOM. Yes, sir. Thanks for that question because I, hopefully, will explain a little bit more about what those uncertainties were. What we have seen happen—

Mr. SCOTT. In fact could you speak, also, to specific examples of—can you give us specific examples in that, of how it hurt your mission requirements? Thank you.

Admiral CULLOM. Yes, sir, absolutely.

One of the clearest examples I think I can bring to that is that—two, I will give you. One is on ship maintenance. So when we have these uncertainties and we don't yet know how much we are going to have to deal with and we have had to cancel—like we did during

sequestration—cancel availabilities until we would have clarity on that.

We have tried to do what we can, which is to do the preplanning for those availabilities, because it will eventually have to happen. Now, they will change. The longer we wait, if we don't do it when we are scheduled to actually do it, then there is going to be a lot more growth of additional work. There is going to be more rusting out of deck plates and tanks and things like that. So that will change, but getting that work done puts it on a shelf.

But, if we wait too long, then we will actually not have the physical time to actually do the jobs that we need to do to actually be that part of that resetting of the force after 10 years of war. And when we only have the opportunity to bring ships into a shipyard about once—into a dry dock once every 8 years—pretty important that we get those things done absolutely right. So that is a ship-board example of it.

On the shore side of the house, with our facilities sustainment and our restoration and modernization accounts on the shore, if we have the uncertainty of not knowing whether or not we have the money to be able to do that, then we can't start those projects until much, much later in the year.

When that ends up happening, then we, likely, will miss the opportunity to actually start that project. And you either have to execute what you can, which is to pave over a runway when you know you really need to go back in and do a dry dock.

Mr. SCOTT. One of the things that we talk about is full-spectrum readiness, and that is certainly one of our goals. With regard to your aviation level of readiness, where are we in regard to full-spectrum? I know that you have given some indications of timelines that it would take to actually get to full-spectrum but the question I have is, when do we expect the readiness level to actually begin to improve?

Admiral CULLOM. Yes, sir, I will take that one.

And this is one, I think, when you have heard the Vice Chief testify before and the CNO testify with the Commandant—we are locked at the hip, on aviation readiness, with the Marine Corps on this because, as a Department of Navy, we have to manage this together. And that challenge is a pretty big one, as you have clearly articulated.

There are a lot of moving pieces to getting that to the right place. You have aircraft that are on the flight line, you have other aircraft that are going through depot and through the FRCs [Fleet Readiness Centers]. You have to get parts to the right place at the right time, so the parts accounts have to be balanced right. We watch these things. The Naval Aviation Enterprise watches it very, very carefully to ensure that we are getting those things at the right place.

We are—each of the type/model series of aircraft, if it is a strike fighter aircraft, if it is an FA-18, a legacy Hornet—we have a lot of hours on those aircraft. We have to make sure that those are able to get done on time. The Commandant, I think, spoke quite a bit about his rotary aircraft and the CH-53s, and those are a real challenge, too.

To the full-spectrum piece, those things have to eventually be able to get those back onto the flight line for the training to rebuild the bench piece that the Vice Chief talked about. Everything that is going out there is ready, and it is ready to the degree it needs to be and they are firmly right. But it is the ones that are on the bench that we need to be able get that training time back for the pilots so that they could be prepared.

And that is also key, to that point, when she said it is after 2020. But so many variables, so many type/model series and they have to integrate with the shipbuilders.

Mr. SCOTT. What percentage is on the bench may be the better way to phrase the question then. We are, obviously, not at full-spectrum. Are we at 50 percent? Are we at 60 percent? Is that a number that can't be disclosed in this setting? And then my question is, obviously, it takes many, many years to get back to full-spectrum, but, if we stay under the current budget scenario, when would it actually begin to improve?

Admiral CULLOM. Yes, sir. That is a very challenging question because there are so many pieces to it, because, to give you the detailed answer that that deserves, if we could take that for the record—

Mr. SCOTT. That is fine.

Admiral CULLOM [continuing]. And provide that answer for you, sir.

[The information referred to can be found in the Appendix on page 47.]

Mr. SCOTT. Thank you, Mr. Chairman. Thank you for your service.

Mr. WITTMAN. Thank you, Mr. Scott.

Mr. Gallego.

Mr. GALLEGO. Thank you.

Thank you, Vice Admiral.

Part of this strategic planning guidance for developing next year's budget includes disaggregating large, costly platforms to smaller vehicles that are capable of achieving military tasks.

And, I apologize; I am going to have to ask that, for you to—for you all to answer quickly because we have votes. While large capital platforms will always be necessary, I am concerned about future operational environments that could hold them at risk such as the advancement in cruise missile capability by some of our potential adversaries.

So the Navy's budget continues to be pressurized for the traditional stock. I would like to know how it can better achieve distributed fire power. In a broader sense, I am also asking what our capital stock will be worth in another 15 to 20 years and if we are moving quickly enough to diversify our capabilities. I mean, who ever wants to take that.

Admiral HOWARD. All right, thank you, Congressman, for that question. So you got to the crux of the challenge of this very budget, this capability versus capacity question. And if you look at where we invested—looking at an anti-access/area denial, you will see that we invested in electronic warfare improvement. We invested in buying more of a greater mission capability missile in the SM-6.

And so we looked at programs that would improve the capabilities of our platforms to fight in that environment, and we will continue to invest in those areas. Is there a capacity to have more of that and modernize more quickly? Yes, there is. But in the end, as we are trying to balance, we could not buy all of what we wanted to get.

Mr. GALLEGO. Okay.

Admiral HOWARD. Thank you.

Mr. GALLEGO. And following up on the last question, do we really—do we need to rethink our capacity requirements like the target of reaching 308 ships or is this just a numbers game that takes into account the demand signals from our geographic combatant commanders? Or is it a top line ship goal reflective of a strategic purpose of, this is how many ships we need to accomplish our world missions?

Or, in general, my concern is that the capabilities are not adequately being met because we are picking arbitrary numbers that aren't really reflective of our national security need.

Admiral HOWARD. So the Navy goes through a force structure assessment and it accounts for all of those factors that you talked about. What is the current demand? What is the operational plans of the combatant commanders? How are we postured? And then what do they need to win in the war fight?

And then that also accounts for the shipbuilding industry and the capacity to build ships. So the last baseline force structure assessment was in 2012. It had an update in 2014, and the CNO has directed that we quickly look at that.

And the last view came up with 308 ships as the right number to meet the current demand signal and provide mission capacity for the combatant commanders but then also have enough surge capacity to be able to win in a war fight.

So we are going to relook at that and make sure that is the right number. I will tell you, my sense is, when you look at the—between now and the last couple of years, with the resurgence of Russia, China is still a main issue; North Korea, which, for us translates to ballistic missile defense, one of our homeland defense missions; and Iran—it is quite possible we will be looking at a requirement for a greater number.

But also, particularly for Russia and China—China building an undersea fleet and Russia modernizing a fleet—I think it is quite likely that this requirement of 48 SSNs [attack submarines] might also go up.

Thank you for the question.

Mr. GALLEGO. Thank you, Admiral.

I yield back my time.

Mr. WITTMAN. Thank you, Mr. Gallego.

Ms. BORDALLO. Chairman, may I make a quick announcement—

Mr. WITTMAN. Of—

Ms. BORDALLO [continuing]. Before you recess?

Admiral Cullom, you are retiring, is that correct?

And this is your last hearing?

Admiral CULLOM. Yes ma'am, I believe this will be my last hearing.

Ms. BORDALLO. Well, good luck on your retirement.

Mr. WITTMAN. Congratulations.

Admiral CULLOM. Thank you, ma'am.

Mr. WITTMAN. I will ask the witnesses to indulge us. We have a series of votes that is going on right now. It will take us approximately 15 to 20 minutes to pursue that series of votes and then come back. So we would ask your indulgence to hang in there with us because we would like to finish with a few more questions.

Admiral HOWARD. Absolutely, Congressman. Thank you.

Mr. WITTMAN. Thank you. We will recess and reconvene in 20 minutes.

[Recess.]

Mr. WITTMAN. We will reconvene the Subcommittee on Readiness of the House Armed Services Committee. I would like to thank our witnesses for their patience and indulging us so we can go to the floor and accomplish our voting duties. So we appreciate that.

I did want to ask you to elaborate a little bit on the infrastructure issues. As you know, we had some previous hearings about the importance of infrastructure and facility support in helping the Navy and the other branches generate readiness.

And I understand that, in many of the areas, where you look to accept risk may be in some of those particular projects, MILCON and others. But I do want to ask about some of what I think are fundamental elements of infrastructure maintenance which should fall outside of a MILCON project.

And I just met with some folks the other day at the Norfolk Navy Yard, and they were concerned about just basic elements—bathrooms not working, childcare facilities being just inundated with children, more than the capacity for them to deal with them. And, to me, those are critical elements for the workforce. If they are looking at those basic elements then, to me, there is a fundamental issue there. It is more than the elements of MILCON.

There are some MILCON issues there with leaking roofs and those sorts of things and buildings. And I understand trying to prioritize those things on the Navy's list, but I do think it is fundamental, as you talk about not just our sailors but also our civilian workforce that are there, maintaining those ships.

I would like to get your perspective on how you see the laydown of the Navy pursuing these infrastructure projects—both MILCON and, obviously, I know you are accepting some risk there, but also some of the basic maintenance elements that, I think, are critical to everybody across the Navy family.

So just want to get your perspective about how those issues are being addressed.

Admiral HOWARD. Thank you, Congressman.

So, we have had to prioritize over what has direct warfighting effects and then, obviously, for our shipyards, that has direct warfighting effects. We have a mandate to invest about 6 percent into the shipyards. And this last fiscal year, we are probably going to hit 8.1 percent. And we have budgeted in 7.1 percent, and that is where you get out repairs for dry docks, caissons, infrastructure upgrades in the dry docks.

And then we do have this backlog of administrative buildings and other facilities that we have knowledge that they need repair,

but we continue to—that list continues to grow as we focus on the direct warfighting aspect.

In some of the quality of life issues, though—I do want to address that separately—so, for example, with the child development centers. We recognize this is a huge quality of life and an ability for someone to be able to work and know their kids are taken care of. And so that was the impetus behind us, and we—this is also in the budget to extend our child development centers.

We started last year, as a pilot, and we are working to get that through all our fleet concentration areas focused on—we are, we have been looking at some of our members have 90-day wait lists—how do we get those wait lists down.

And we have found some of that can be done by working with all of the other services and making sure we understand who is applied where and who is accepted and making sure children are enrolled as quickly as possible.

And then, the same—providing more hours can sometimes alleviate some of the strain—the same with our fitness centers. But, yes, we have been taking risk in the next tier level down support facilities. And we recognize that that is eventually going to come home to roost.

And then I would like Admiral Cullom to give a few more specifics.

Mr. WITTMAN. Admiral Cullom.

Admiral CULLOM. Yes, Mr. Chairman.

To add to that, in addition to the MILCON that we had talked about before and as the Vice Chief said, these other accounts whether they be the facilities restoration and modernization, sustainment of the facilities, or the base operations support—and those are the big three other components that we have—every one of those accounts, we have taken risk in.

Mr. WITTMAN. Yes.

Admiral CULLOM. Now, again, we try to triage the risk that we take in those accounts so that we don't end up having things that are very essential and important for our sailors that do not represent the standard to which we want to have them be able to have they and their families live by, particularly for things like childcare and the housing.

Now, that said, by the risks that we have taken there—and the Vice Chief talked about what that backlog is—that backlog is about \$5.6 billion of backlog, and that will grow. It will continue to grow if we maintain these levels, continue to have to take this risk, by about \$600 million a year. So we will just keep adding to that.

Now, what that really means, to be able to triage down to maintain our systems as best we can, is that we have to put it, again, to where those facilities are the most important to sustain and to help our operations.

And so, again, we concentrated very heavily on shipyards because we know how important they are to the mechanics of just being able to get, to make OFRP work—

Mr. WITTMAN. Yes.

Admiral CULLOM [continuing]. And to be able to get those ships back to sea. But it isn't just that, it is also about the sustainment that we have to do to the runways and airfields and the dry docks

as well. And those things kind of fall into that restoration and modernization accounts.

And we, again, have prioritized to the ones that most support the operations. Now what that really leaves is a whole bunch of other things. There are administrative facilities and other places that will, in fact, have to go to a different standard.

Now, many of us that have been in the Navy a long time remember where that was in the late 1970s or early 1980s, and it was very challenging. And so we know that is the ground, that is where we are headed to, if we have to keep going this direction for very long.

Mr. WITTMAN. I think those are important points. When we did our hearings on infrastructure and facilities support, one of the issues that was brought up by the installation commanders, like places at Oceana, is when you are needing to put aircraft in the hangars and aircraft hangar space isn't available because of leaks in the roof or malfunctioning or non-functioning fire suppression systems, then your ability to generate aircraft readiness, to make sure they get in for routine maintenance, gets affected. So you see the direct effect on readiness there, and that is that scenario where I understand trying to manage risk there.

But when it gets to that level and then another situation—these are just examples—but where, Oceana, we had electrical failure with the lighting on the landing areas there. So now landings and takeoffs get delayed now for about an 8-hour period as they fix that.

Now that is—and you know how that goes with flight training and all the elements that have to take place, when you back that up. And although 8 hours for the normal person doesn't sound like a lot, that creates a wave all the way through the training regimes and getting those aircraft out there, and then that is time lost that you never make up.

And that is one of those areas of readiness that, we know, if you lose 8 hours there it takes 16 hours to regenerate the readiness that you lost in 8 hours. And that is just a microcosm of what happens across the spectrum.

So I would really encourage you all to let us know, because many times readiness is associated with manning. It is associated with training. It is associated with maintenance and operation.

But what we tried to do this year is to point out that infrastructure and facility support is a readiness generator, and where we are falling behind there has a direct impact on readiness. So, as you all look at how you assume risk there, please point out, at any opportunity you can, both to members here on the HASC [House Armed Services Committee] but also elsewhere, that that backlog, that \$5.6 billion backlog gets to a point to be insurmountable.

And, again, it is another bow wave, too, where even if we got to a point to say, "Okay, let us put \$5.6 billion into that," the capacity is not there to direct and operationalize that money to be able to restore that readiness. So you have not only resources that become a detriment, but it is time and how do you actually get that money applied in a reasonable and efficient way to actually get these things done.



So that becomes a concern for us, too, if you get that backup in work. So I would encourage you to let us know, and we will make sure we continue to stay in touch with each of you about where we see and hear these inadequacies.

And I understand that you are doing the best you can to pull out the roll of duct tape and the chewing gum and try to keep things together as much as you can, but we all know that that only goes so far and it doesn't buy as much time as we would like.

So we have to make sure that we get to the bottom of this. And we are trying to focus on that as far as part of our readiness efforts.

I appreciate what you all are doing and we will continue to make sure we have a dialogue on that.

So now I want to go Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

And it seems that all I have heard for the last few weeks, months, is readiness, readiness. It is the focal point of our military and, without it, there wouldn't be anything, I guess, to speak of. And we certainly wouldn't be able to be in a position to match a challenge anywhere. So it, truly, is really very, very important.

So for any of the witnesses here, I want to ask this question. If operational tempo were to increase, due to greater requirements for operations in the Pacific area of responsibility, for example, to what extent would the Navy have the current readiness capabilities to meet the needs?

And we will start with you, Admiral Howard.

Admiral HOWARD. So ma'am, one of the things that is happening, as you are aware, is the rebalance to the Pacific. And if I could just step back and talk about that a little bit, strategically, because I also have found that when I speak publicly, some of the thought process over just rebalancing to the Pacific, I am getting challenged on.

So we have talked about a changing environment. And I will say that, when you look at Department of Defense, five new challenges—China has remained, an emerging Russia, North Korea, Iran, and counter violence—I point out, if we think of those as the five new challenges, four of them are in the Pacific.

Because people forget about Russia, our strategic relationship with Russia, our nuclear deterrence, and they are moving their new SSBNs [ballistic missile submarines] out to the Pacific. And so it is important for us to continue this rebalance—move 60 percent of our assets either to the West Coast route, and move new capability out there. Now, as some of the new capability comes out there, how we maintain and how we do that, we are changing processes.

So, as we move that out there, we manage and look at how we keep those ships or aircraft and the newer aircraft up. The fleet commander is thinking ahead to the future and, due to the size of the Pacific, he is thinking that instead of a more traditional type of maintenance capacity, we may need to have a more mobile type of maintenance capacity. But in the end that might translate as we roll more out there, more maintenance capacity out there.

Ms. BORDALLO. Vice Admiral Cullom, would you have comments to make on that?

Admiral CULLOM. Yes, ma'am.

To follow on with what the Vice Chief just said about the mobile maintenance capacity and the look that the fleet commander is looking at out there, as we do that, we will have to be much more agile and much more responsive to be able to handle all those different situations with the assets that we have.

And to do so, we have been doing a lot of experimentation and prototyping of things. We have new vessels that are going out there, nontraditional type, auxiliary type ships, and those are the vessels formerly called the Joint High Speed Vessel, as well as the mobile landing platforms, the ESDs and EPFs.

And those vessels give us the capability at the routine day-to-day type of operations of things that occupy a lot of the fleet commander's time, the ability to be able to handle some of those challenges with those vessels. And so if they can be able to do that in, as we call them, the Phase Zero operations—as that OPTEMPO [operations tempo] goes up.

Now, very different story when you start talking about crisis—and then maybe we will shift that down the table here to Admiral Aquilino—but that, then, requires a different operation with those other USS ships and present a different challenge.

But I think the mobile maintenance capacity, how that lashes up with our distributed lethality that we are talking about, I think, are going to be very critical things for the future for us, and we are looking at all of those.

Ms. BORDALLO. Vice Admiral Aquilino.

Admiral AQUILINO. Yes, ma'am.

We are deploying right now. The presence that is being deployed by the Navy is currently at our maximum sustainable rate. So, as the chairman said before, the world gets a vote. The CNO and the Vice Chief have developed this model so that we are not only providing presence forward, but we are building surge capacity to respond to conflict and crisis when that occurs.

So what I would say is, if something needed to be surged, I think where we are is we are in a pay me now or pay me later. If a conflict were to occur, we would take a deficit in readiness and push those forces forward to win the fight, understanding that we would then have to reset and build that readiness after the fact.

Ms. BORDALLO. Very good, all right.

I have another question, Admiral Howard. While the Optimized Fleet Response Plan included certain assumptions with regard to maintenance and timelines, the unexpected increase in maintenance timelines appears to be having a negative effect on ship readiness. Is OFRP still a sustainable model that will ensure future readiness of the Navy, and what risks are we taking by maintaining this plan? What would be the effect of further maintenance delays?

Admiral HOWARD. Ma'am, we have to be able to plan in order to get to maintenance periods that we can plan for and then eventually get to on-time execution.

So the point of the OFRP and understanding that 36-month cycle and how much operational availability we can generate was then to be able to, one, lock in those maintenance periods and get to the most efficient and effective use of the supporting shipyards.

So the issue, then, of our shipyards not always able to come in on time, some of that, is directly attributable to how we have been operating the fleet in the past.

As we open up the ships, we discover additional work because we have engendered more wear and tear to the previous OPTEMPO, and then we have a decision to make. Do we fix it right then and there, or do you just close it back up and wait until the next maintenance eval? And if we choose to fix it right then and there, because it wasn't work we planned for, that ends up costing us more to fix it right then and there. But you want to have a ready ship, and so those are the choices.

We have to work more closely, I think, and look at the processes of how we plan and prepare, particularly with our private partners, and get that planning process down and get to a more predictable understanding of what we think is going to be the state of the ship before it goes into the yards, and then that will get us to a better on-time execution in the schedule.

Ms. BORDALLO. Thank you.

And one further question. The OFRP strives to rotate ships in the carrier strike groups and amphibious readiness groups through maintenance while ensuring an adequate presence and additional response force should a contingency arise. Now what is being done to guarantee the health and readiness of our support ships, including the oilers and the supply ships? And is there a need for a similar program aimed at providing security and stability to this section of the fleet?

Admiral CULLOM.

Ma'am, I will take that.

For the support ships, their maintenance model, currently, is and has been for many years, very different because of the civilian mariner component that is involved with them. We have been watching that actually very carefully with regard to the aging of those ships, and that is across both the CLF [Combat Logistics Force] ships as well as those ships that are part of the larger ships upon which we can draw for sealift.

And we are looking at some innovative things in terms of how we are going to go about recapitalizing those ships as well as the maintenance that they get. For right now I think it is those ships are probably—over time, you are going to see some fairly significant changes to those.

And the MLP [mobile landing platform] and the EPF are—EPF and the ESD are examples of how that auxiliary force is actually changing a fair amount—going to ships that are aluminum construction, no longer steel construction, things that can go up much faster than the older ships; in some cases, smaller, but with huge amount of cube [cubic space].

To get back to your real question, which is really about do we need to do an OFRP for them, I think, because of the way those things are accrued and the way they are matched up, probably not. But we are certainly looking at ensuring that we reset and restore that fleet in much the same way that we are looking at resetting and restoring the USS hulled ships.

But their training cycles really end up defining why the OFRP is so important, the way it is, and the fact that you are actually

adding together components from the aviation side, to components from the ship side, to, in some cases, components from the under-sea side and land side, to bring all of those together for ARGs [amphibious ready groups] or for CSGs [carrier strike groups]—very different for our CLF and our sealift ships.

Ms. BORDALLO. Thank you very much, and I want to thank all the witnesses today. It has been very interesting and you have given some very concise answers to our questions and I do appreciate it and thank you for your service, and I yield back.

Mr. WITTMAN. Thank you Ms. Bordallo.

I do want to conclude with one final question, and that is concerning our amphibious force structure requirements, looking at what the Navy has done and looking at those under today's conditions.

There have been some changes to strategic guidance. There have been some operational plans, or OPLANs, that have been revised and updated. Can you give the Navy's perspective on where our amphibious force structure needs to be in light of current conditions?

Admiral HOWARD. Thank you, Congressman, for the question.

So in our force structure assessments and then working with our Marine Corps partners, we have said that we are looking at a need for 38 amphibious ships. We currently have 30 ships on the rolls. With the 12th LPD [amphibious transport dock] that we have added, we are looking at 32 ships in fiscal year 2017, growing to 33 ships in 2021.

The Commandant and CNO have agreed that 38 ships is the need. And, with 34, we accept some risk so that if we, depending on how we were postured, obviously would probably be able to generate 30 out of 34.

We continue to increase the amphib structure, presuming budgets hold stable. The plan is, continue to increase the number of amphibious ships. But, once again it is, when you look at our ability to build ships, it is a slow climb.

The other real challenge we are going to have is the *Ohio* replacement.

Mr. WITTMAN. Yes.

Admiral HOWARD. So right now, as that submarine comes online, if the Navy is required to fund that out of our own budgetary account, it will literally swallow up the entire ship construction account and have impact on the rest of our conventional force. So even the Commandant has said that, if we cannot determine a way to get to that strategic asset outside of the DON [Department of the Navy] account, that obviously will have an impact on our ability to build new amphib ships.

Thank you for the question.

Mr. WITTMAN. Thank you, Admiral Howard. You bring up a great point and that is why I think it is incredibly important to have something like the National Sea-Based Deterrence Fund where we can fund it outside of the shipbuilding budget.

We understand, by the time that boat gets to the fleet, it will be approaching \$6 billion in costs. And if we fund it or it is decided to be funded in the shipbuilding budget, the boom you hear will be the ship building budget exploding, not a missile being launched

from one of those new *Ohio*-class replacement submarines. So I understand where we need to be, and we pursued that last year.

Unfortunately, it got short-circuited in the omnibus budget bill, but I can assure you we will continue that effort. We think it is indeed a national program. It just so happens that the Navy operates the ship but it is a national asset that is part of that triad, and we still think the triad has particularly important significance in nuclear deterrence.

And I understand the Air Force is also pursuing their Long-Range Strategic Bombers so some have suggested that that ought to be funded the same way. And we don't necessarily have any heartburn with that as long as the resources are there. We are going to do that in a deterrence fund, whether you call it sea-based or not. There are enough resources there. And then that creates the proper focus.

As you said, you put it into a shipbuilding budget. In the normal ways that those things happen, is to put it in the shipbuilding budget and say here is \$3 billion, Navy come up with the rest.

And we know that there are not those dollars that are resting in other operational accounts, so what will happen is there will be delays, long delays, in shipbuilding programs. And some of them are locked in so there is not a lot of flexibility in doing—in what you can do with some of those programs.

So that means any other program that is not locked in now gets pushed, not just a little bit to the right, but way to the right, to the point where it is outside the FYDP or any other forward-looking document to even hope that we are going to get to the point of building those ships. So I agree with you.

Getting amphibious ship decisions on LX(R) [dock landing ship] locked in and then making sure we lock in ORP [*Ohio* Replacement Program] outside of the shipbuilding budget, I think, creates a long-term certainty and stability for the Navy as far as building ships and making sure the capacity is there with the fleets.

So I appreciate your bringing that up because it is an extraordinarily important part of what we need to do to make these pieces fit together.

So I appreciate all of our panelists today. Vice Admiral Cullom, thank you for your service. Admiral Howard, as always, thank you, and thanks for the great job you do there on the Board of Visitors at the Naval Academy. We appreciate your passion there and what you add there, which is significant, and so we appreciate that.

And Vice Admiral Aquilino, thanks so much for your leadership and all the things that you do.

You all truly have best interests of your sailors at heart in making sure that we not only have the Navy of today but the Navy of the future.

So thank you again, and if you have anything else for the record, please don't hesitate to enter it with us; and if there are no further questions, we hereby adjourn.

[Whereupon, at 11:18 a.m., the subcommittee was adjourned.]



---

---

**A P P E N D I X**

MARCH 17, 2016

---

---





---

---

**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 17, 2016

---

---



**Statement of the Honorable Robert J. Wittman  
Chairman, Readiness Subcommittee**

**"The Department of the Navy's Fiscal Year 2017 Operations and Maintenance  
Budget Request and Readiness Posture"**

**March 17, 2016**

Good morning. Thank you all for being here today for our Readiness subcommittee hearing on the Navy's 2017 Operations and Maintenance Budget Request and Readiness Posture. This is the final hearings of four on the services' budget requests and readiness postures. This week, Admiral Howard, you testified that before the Senate Armed Services Committee that "Sequestration is the greatest threat to our future readiness, it has a ripple effect for us through the years." Today, I look forward to hearing how the Navy's budget request enables a readiness recovery plan and where we continue to take risks; calculated in terms of both risk to the force and risk to the mission.

I would like to welcome all of our members and the distinguished panel of senior Navy leaders present today.

This morning we have with us:

Admiral Michelle J. Howard, USN  
Vice Chief of Naval Operations

Vice Admiral John C. Aquilino, USN  
Deputy Chief of Naval Operations for Operations, Plans and Strategy

Vice Admiral Philip H. Cullom, USN  
Deputy Chief of Naval Operations for Fleet Readiness and Logistics

Thank you all for testifying today and we look forward to your thoughts and insights on these important issues.

The purpose of this hearing is to clarify the Navy's choices for its budget requests, to address funding priorities and mitigation strategies, and to gather more detail on the current and future impacts of these decisions on operations, maintenance, training, and modernization. Most importantly, does the Navy have the resources it requires in order to improve its state of readiness? Once again, I want to thank our witnesses for participating in our hearing this morning and I look forward to discussing these important topics.

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE  
ARMED SERVICES COMMITTEE

**STATEMENT OF**

**ADMIRAL MICHELLE HOWARD  
VICE CHIEF OF NAVAL OPERATIONS**

**AND**

**VICE ADMIRAL PHILIP H. CULLOM  
DEPUTY CHIEF OF NAVAL OPERATIONS FOR FLEET READINESS AND  
LOGISTICS**

**AND**

**VICE ADMIRAL JOHN C. AQUILINO  
DEPUTY CHIEF OF NAVAL OPERATIONS FOR OPERATIONS, PLANS, AND  
STRATEGY**

**BEFORE THE**

**HOUSE ARMED SERVICES COMMITTEE**

**SUBCOMMITTEE ON**

**READINESS**

**MARCH 17, 2016**

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE  
ARMED SERVICES COMMITTEE

Chairman Wittman, Representative Bordallo, and distinguished members of the House Armed Services Subcommittee on Readiness, we appreciate the opportunity to testify on the current state of Navy readiness and projected changes to that readiness with the Fiscal Year 2017 budget request. This budget submission provides the resources to deliver sustainable deployed forces and supports our continued readiness recovery efforts. The submission also contains the hard choices and tradeoffs we were obligated to make in order to achieve future warfighting capability.

America's security and prosperity are inextricably linked to maritime freedom. With over 90 percent of our trade traveling the seas, the FY17 Navy budget submission provides a thoughtful approach to meeting our security challenges within our budgetary means. We have balanced capability and capacity, delivered current and future readiness, and postured our forces to meet Geographic Combatant Commanders' (GCCs) missions, while rebuilding our contingency response posture in a difficult budget environment. Although we have seen improvements in rebuilding the workforce in both our public shipyards and aviation depots, we have not yet recovered from the readiness impacts resulting from a decade of combat operations. The cumulative effect of budget reductions, complicated by four consecutive years of continuing resolutions, continues to impact maintenance, afloat and ashore. The secondary effects of these challenges impact material readiness of the force, and the quality of life of our Sailors and their families.

In "A Design for Maintaining Maritime Superiority" the Chief of Naval Operations, Admiral Richardson, has challenged the Navy team to meet the demands of our mission along four lines of effort. The readiness funding accounts directly contribute to *Strengthening Naval Power at and from Sea*. In addition, Navy readiness organizations are actively engaged in efforts to *Achieve High Velocity Learning at Every Level*, by investing in our Sailors through new and reinvigorated training programs, and to *Strengthen our Navy Team for the Future*, by employing innovative training methodologies to accelerate productivity of new shipyard employees. To meet our most critical challenges, we must also *Expand and Strengthen our Network of Partners*. We have reached out to industry to meet some of our most critical challenges in shipyard and aviation depot workload. Our budget request supports this Design and if executed will result in continued operational excellence throughout our Navy.

Although our readiness shows improvement, recovery is not yet complete. Full recovery of the material readiness of the Fleet is likely to extend beyond 2020. Stable funding, improvement in on-time execution of ship and aviation depot maintenance, and steady state operations are required to meet our Fleet readiness goals. As we proceed on the road to recovery for afloat operational units, we continue to do so by taking conscious risk in the recapitalization, maintenance, and operation of our shore infrastructure. To mitigate impacts ashore, Navy has made difficult decisions and focused on shore items directly tied to our primary missions.

Our testimony today will focus on the current readiness of the Navy as set forth in our FY17 budget submission, provide an overview of our readiness recovery efforts to restore our contingency response posture, and address challenges to delivering future readiness.

#### **Current Navy Operations and Mission Readiness**

The demand for naval assets by the GCCs remains high, and Navy continues to provide the maximum sustainable global presence it can generate to support a diverse array of GCC missions. Today, the *Harry S Truman* Carrier Strike Group (CSG) is underway in the CENTCOM area of responsibility while the *John C Stennis* CSG conducts operations in the Western Pacific. The *Stennis* CSG will also support RIMPAC 2016 this summer. This is the first year since 2009 that Navy has been able to provide a CSG to PACOM while the forward deployed CSG was in maintenance. Over the past twelve months, three CSGs conducted strike missions against ISIS in support of Operation INHERENT RESOLVE. Four Amphibious Readiness Groups (ARGs) with embarked Marine Expeditionary Units (MEUs) supported a wide range of missions including maritime security operations, strike missions against ISIS and blockade support off the coast of Yemen as part of Operation RESTORE HOPE. Closer to home, fleet ocean tug USNS *Apache* (T-ATF 172) embarked a deep-water search and salvage team and successfully located the U.S. flagged merchant vessel *El Faro* after her sinking off the coast of the Bahamas during Hurricane Joaquin. Across the globe, the Navy supported other critical GCC missions such as theater security cooperation, anti-piracy, counter-drug, ballistic missile defense, and Intelligence, Surveillance, and Reconnaissance. Missions such as these not only demonstrate our responsiveness and warfighting prowess, but maintain our Sailor proficiency, a key aspect of readiness which can only be bought with time at sea.

The Optimized Fleet Response Plan (OFRP), in conjunction with ongoing Fleet material condition reset efforts, is designed to support Navy's overall readiness recovery goals and maximize the employability of our operational units for both sustainable presence and contingency response. To date, three CSGs and four ARGs have been inducted into OFRP. In 2016, the *Dwight D. Eisenhower* CSG will be the first to deploy under the OFRP construct. Fleet implementation of OFRP for CSGs is scheduled to be complete in FY21 with the deployment of the *Gerald R Ford* CSG. While it is difficult to pinpoint an exact readiness recovery timeframe for each of our force elements given the array of factors involved, we predict CSG readiness recovery will occur slightly outside of the Future Year Defense Program (FYDP). ARG recovery will remain constrained until we complete modernization of our large deck amphibious ships to include the capability to operate the F-35B. Key to our success is operating the battle force at a sustainable level over the long term. As stated in FY16 testimony, readiness recovery requires a commitment to protect the time needed to properly maintain and modernize our capital-intensive force and to conduct full-spectrum training. Achieving full readiness also requires us to restore capacity and throughput at our public shipyards and aviation depots, primarily through hiring and workforce development. Successful efforts in meeting hiring goals have been largely achieved. OFRP allows us to recover material readiness without hindering our forward presence, provide our sailors and their families with predictable deployment schedules, and preserve our force structure so that it meets service life expectations.

#### **Strengthening Naval Power at and from the Sea**

The Navy's FY17 budget request ensures the readiness of our deployed forces to operate and fight decisively, meets the adjudicated requirements of the FY17 Global Force Management Allocation Plan (GFMAP), and supports implementation of the Optimized Fleet Response Plan. In FY17, Navy will stabilize deployment length for the first time in many years. For FY17, no Navy ship is scheduled to deploy for greater than seven months. The establishment of this important tenet of OFRP will help instill the predictability required for our shipyards and aviation depots. In addition, the predictability is a positive quality of life factor for our Sailors and their families. This is a major milestone in Navy's ongoing readiness recovery.

*Ship Operations*

The baseline Ship Operations request for FY17 provides an average of 45 underway steaming days per quarter for deployed ships and 20 days non-deployed, and supports the highest priority presence requirements of the Combatant Commanders. With Overseas Contingency Operations (OCO) funding, ship operations are funded at 58 steaming days deployed and 24 days non-deployed. This total funding allows Navy to meet the FY17 ship presence requirement, supports the higher operational tempo for deployed forces, and provides full funding for ships deployed or preparing to deploy. This account also supports spare parts inventories, organizational level maintenance consumables, and administrative and travel requirements. Because of a constrained top line the Navy took risk. Those latter elements of the Ship Operations account were reduced for one year to 90% of the requirement. This funding reduction will have some impact on the restocking of spare parts for non-deployed ships, but is recoverable if addressed in the next budget cycle.

*Air Operations (Flying Hour Program)*

The Flying Hour Program (FHP) funds operations, intermediate and unit-level maintenance, and training for nine Navy Carrier Air Wings, three Marine Corps Air Wings, Fleet Air Support aircraft, training squadrons, Reserve forces, and various enabling activities. Combined baseline and OCO funding will be required to maintain current and future levels of readiness for deployment. OCO funding also supports additional deployed operating tempo to meet Combatant Commander requirements above baseline funding. All Navy and Marine Corps aviation squadrons deploy with their full entitlement of aircraft, however some squadrons are challenged to achieve their required training readiness levels in early phases of the operational cycle, or following deployment due to shortfalls in available aircraft. To improve depot throughput, the Naval Aviation Enterprise is aggressively tackling three initiatives that include decreasing Work in Progress (WIP), reducing cycle time, and increasing capacity which will restore combat sustainment readiness levels.

*Spares*

While replenishment of “off the shelf” spares used in ship and aircraft maintenance is funded through the Ship Operations and Flying Hour Programs, the provision of initial and outfitting spares for new platforms, systems, and modifications is funded through the



procurement appropriation spares accounts (APN/OPN). In recent years, these accounts have been funded below requirements due to budget constraints. FY17 sustains sufficient funding levels to reduce the cross-decking between units and cannibalization of parts driven by unfilled requisitions. FY17 starts to stabilize funding necessary to ensure parts are available when needed. This is complemented by Navy-wide efforts to improve execution of these accounts, which has achieved considerable success in aviation spares by meeting first year execution benchmarks over the last three years.

*Sustaining the Force - Ship and Aircraft Maintenance*

The Navy maintenance budget requests are built upon independently certified models, reflecting engineered maintenance plans for each ship class and aviation type/model/series. Our shipyards and aviation depots have been challenged by emergent work beyond that expected, associated with a decade of high tempo operations and additional wear on assets. The workforce behind our public and private depots is no longer sufficient for these emergent projects and is still in the midst of rebuilding and training new workers.

Resetting our surface ships and aircraft carriers after more than a decade of war led to significant growth in public and private shipyard workload. The Navy baseline budget request funds 70% of the ship maintenance requirement across the force, addressing both depot and intermediate level maintenance for carriers, submarines and surface ships. OCO funding provides the remaining 30% of the baseline requirement and allows for the continued reduction of surface ship life-cycle maintenance backlogs. For the second year, the additional OCO request to support Navy's maintenance reset (\$625M) includes funding for aircraft carriers (CVNs) in addition to other surface fleet assets, to address increased wear and tear outside of the propulsion plant. Since much of this reset work can only be accomplished in a drydock, the maintenance schedule needs to be closely managed, as reset is expected to continue across the FYDP.

To address the increased workload in our public shipyards and improve on-time delivery of ships and submarines back to the Fleet, the FY17 budget promotes growth in our shipyard workforce, sustaining 33,500 Full Time Equivalent (FTE) in FY17, with additional investments for workforce training and development. Additionally, two attack submarine (SSN) availabilities were moved to the private sector in FY17 to help level load shipyard workload.

The Fleet Readiness Centers (FRCs) and Navy's aviation depots have been challenged to recover full productivity after hiring freezes, furloughs, and overtime restrictions in FY13. Through a concerted hiring effort with the support of congressional budgetary increases, the recovery in maintenance capability is in progress. However, the FRCs face a significant backlog of work, particularly for the service life extension of our legacy F/A-18 Hornets. FRCs hiring progress returned to pre-sequestration manning levels in FY15 and they continue to adjust hiring in order to ensure the workforce can meet the workload demand. In an effort to improve throughput, FRCs are increasing engineering support to address the work required to reach 10,000 hours of service life, reallocating some of the existing workforce, and contracting additional private sector support. Navy has increased its number of field teams to improve flight line maintenance and ensure there is a clear understanding of the material condition of airframes heading to the depots. FRCs have also developed repair kits that ensure long-lead parts are readily available as repair parts are identified.

The Aviation Depot Maintenance program is funded to 76% in baseline and 85% with OCO for new work to be inducted in FY17. This funding level supports repairs for 583 airframes and 1,684 engines/engine modules.

#### *Navy Expeditionary Combat Forces*

Navy expeditionary combat forces support ongoing combat operations and enduring GCC requirements by deploying maritime security, construction, explosive ordnance disposal, logistics, and intelligence units to execute missions across the full spectrum of naval, joint and combined operations. In FY17, baseline funding remains significantly improved over prior years, providing 79% of the enduring requirement, with OCO supporting an additional 17% of the requirement.

#### *Shore Infrastructure*

Navy's 70 installations worldwide provide the platform to train and prepare our Sailors, deploy our ships and aircraft, and support our military families. Nevertheless, fiscal constraints over the past several years have caused Navy to take deliberate risk in shore infrastructure in order to sustain Fleet readiness today.

Navy's Military Construction program, which is resourced at the lowest level since 1999, is prioritized to support Combatant Commander requirements, enable new platforms/missions, upgrade utility infrastructure, and recapitalize our Naval Shipyards. Navy is also taking some risk in the sustainment, restoration, and modernization of our existing buildings, piers, runways, hangars, utilities systems, and support facilities. Our FY17 facilities sustainment account is resourced at 70% of the OSD facilities sustainment model, which falls short of DOD's goal of 90% for the sixth year in a row. Navy's FY17 request for restoration and modernization funding is roughly half of FY16 levels. This is only enough to address the most critical deficiencies for the naval shipyards, nuclear enterprise, piers and runways, and to renovate a small portion of inadequate barracks for our junior Sailors. We are mitigating the risk in our infrastructure sustainment by prioritizing life/safety deficiencies and repairs for our mission-critical buildings and structures. By deferring less-critical repairs, we are increasing risk of greater requirements in the outyears and acknowledge that our overall facilities maintenance backlog will increase.

Navy continues to postpone much-needed repairs and upgrades for the vast majority of our infrastructure, including utilities systems, waterfront structures, airfields, laboratories, administrative buildings academic institutions, warehouses, ordnance storage, roads, and other vital shore infrastructure. Long term underinvestment in these facilities will take an eventual toll on our ability to support deploying forces.

Despite these challenges, the Navy is committed to improving the condition of our Naval Shipyards, which are critical to maintaining the warfighting readiness of our force. The Department of the Navy will again exceed the mandated capital investment of 6% across our shipyards and depots described in 10 USC 2476 with a 7.1% total investment in FY17. We focus our shipyard investments to address the most critical safety and productivity deficiencies in Controlled Industrial Areas, which primarily include production shops, piers, wharfs, and dry docks.

### **Conclusion**

The FY17 budget submission has been carefully structured to ensure the Navy continues readiness recovery through the implementation of OFRP. Continued shortfalls in our facilities sustainment will eventually have effects in our at sea readiness model, and failing to plan for these necessary investments will continue to slow our future recovery. We are still paying down

the readiness debt we accrued over the last decade, but more slowly than we would prefer and at continued risk to our shore infrastructure.

Powered by the exceptional Sailors and civilians we are proud to represent today, your Navy is the world's finest and we are committed to retaining our superiority. This budget represents a margin of advantage over our adversaries. That margin could be lost if we do not achieve stable budgets. We will only maintain our status as the world's greatest Navy with constant vigilance, dedication to restoring our readiness, and sustaining forces around the globe. we thank you for your support.

**Admiral Michelle Howard**  
**Vice Chief of Naval Operations**  
**7/1/2014 - Present**

Admiral Howard is a 1978 graduate of Gateway High School in Aurora, Colorado. She graduated from the United States Naval Academy in 1982 and from the Army's Command and General Staff College in 1998, with a Masters in Military Arts and Sciences.

Howard's initial sea tours were aboard USS Hunley (AS 31) and USS Lexington (AVT 16). While serving on board Lexington, she received the secretary of the Navy/Navy League Captain Winifred Collins award in May 1987. This award is given to one woman officer a year for outstanding leadership. She reported to USS Mount Hood (AE 29) as chief engineer in 1990 and served in Operations Desert Shield and Desert Storm. She assumed duties as first lieutenant on board the USS Flint (AE 32) in July 1992. In January 1996, she became the executive officer of USS Tortuga (LSD 46) and deployed to the Adriatic in support of Operation Joint Endeavor, a peacekeeping effort in the former Republic of Yugoslavia. Sixty days after returning from the Mediterranean deployment, Tortuga departed on a West African training cruise, where the ship's Sailors, with embarked Marines and U.S. Coast Guard detachment, operated with the naval services of seven African nations.

She took command of USS Rushmore (LSD 47) on March 12, 1999, becoming the first African American woman to command a ship in the U.S. Navy. Howard was the commander of Amphibious Squadron Seven from May 2004 to September 2005. Deploying with Expeditionary Strike Group (ESG) 5, operations included tsunami relief efforts in Indonesia and maritime security operations in the North Arabian Gulf. She commanded Expeditionary Strike Group Two from April 2009 to July 2010. In 2009, she deployed to CENTCOM theater, where she commanded Task Force 151, Multi-national Counter-piracy effort, and Task Force 51, Expeditionary Forces. In 2010, she was the Maritime Task Force commander for BALTOPS, under 6th Fleet.

Her shore assignments include: J-3, Global Operations, Readiness and executive assistant to the Joint Staff director of Operations; deputy director N3 on the OPNAV staff; deputy director, Expeditionary Warfare Division, OPNAV staff; senior military assistant to the secretary of the Navy; Chief of Staff to the director for Strategic Plans and Policy, J-5, Joint Staff, deputy commander, US Fleet Forces Command, and Deputy Chief of Naval Operations for Operations, Plans & Strategy (N3/N5). She currently serves as the 38th Vice Chief of Naval Operations.

Updated: 3 July 2014

**Vice Admiral Philip Hart Cullom**  
**Deputy Chief of Naval Operations for Fleet Readiness and Logistics**

A native of Flossmoor, Illinois, Vice Adm. Philip Cullom graduated with distinction from the U.S. Naval Academy with a bachelor's degree in Physics. He also holds a master's degree in business administration with distinction from Harvard Business School.

At sea, he has served at sea aboard USS Truxtun (CGN 35), USS Jesse L. Brown (FF 1089), USS Dwight D. Eisenhower (CVN 69), and USS Mobile Bay (CG 53), participating in numerous exercises and counter-narcotics patrols as well as Operations Desert Storm and Southern Watch. During the Kosovo Crisis, he commanded USS Mitscher (DDG 57), deploying to the Mediterranean, Adriatic, and North Sea. As commander, Amphibious Squadron 3, he served as sea combat commander for the first Expeditionary Strike Group (ESG 1) in support of Operations Iraqi Freedom and Enduring Freedom and, subsequently, as chief of staff to Commander, 2nd Fleet/Striking Fleet Atlantic. Most recently, from June 2007 to August 2008, he commanded the Eisenhower and George Washington Strike Groups, as commander, Carrier Strike Group 8.

Ashore, he has served in technical, staff, policy, and strategy positions as shift engineer and staff training officer of the A1W nuclear prototype at the Idaho National Engineering Laboratory; special assistant to the CNO's Executive Panel (OP-00K); and, branch head for Strategy and Policy (N513). Joint assignments have included defense resource manager within the J-8 Directorate of the Joint Staff; white house fellow to the Director of the Office of Management and Budget; and, director for Defense Policy/Arms Control on the National Security Council staff. He also held a personnel assignment, serving as the head of Officer Programs and Placement (PERS 424/41N) for all surface nuclear trained officers from late 2001 until 2003. Flag assignments ashore included Navy staff positions as director of Deep Blue; the Strategy and Policy (N5SP) Division; Fleet Readiness Division (N43); and, most recently, director, Energy and Environmental Readiness Division (N45) on the Navy Staff. In March 2012, he assumed his current duties as deputy chief of Naval Operations for Fleet Readiness and Logistics.

Cullom's personal awards include the Defense Superior Service Medal (two awards), Legion of Merit (six awards), Defense Meritorious Service Medal, Navy Meritorious Service Medal (two awards), Navy and Marine Corps Commendation Medal (three awards), Joint Service Achievement Medal, and Navy and Marine Corps Achievement Medal.

**Vice Admiral John C. Aquilino**  
**Deputy Chief of Naval Operations**  
**Operations, Plans and Strategy (N3/N5)**

Vice Adm. John Aquilino is a native to Huntington, New York. He graduated from the United States Naval Academy in 1984, earning a Bachelor of Science in Physics. He subsequently entered flight training and earned his wings in August 1986.

Operationally, he has served in numerous fighter squadrons flying the F-14 A/B Tomcat and the F-18 C/E/F Hornet. His fleet assignments include the Ghost Riders of Fighter Squadron (VF) 142 and the Black Aces of VF-41. He commanded the World Famous Red Rippers of VF-11, Carrier Air Wing (CVW) 2, and Carrier Strike Group (CSG) 2. He has made several extended deployments in support of Operation Deny Flight, Deliberate Force, Southern Watch, Noble Eagle, Enduring Freedom and Iraqi Freedom.

Ashore, Aquilino's assignments include duties as an adversary instructor pilot flying the A-4, F-5, and F-16N aircraft for the Challengers of VF-43; operations officer of Strike Weapons and Tactics School, Atlantic; flag aide to the vice chief of naval operations; special assistant for Weapons Systems and Advanced Development in the Office of the Legislative Affairs for the Secretary of Defense; director of Air Wing Readiness and Training, for Commander, Naval Air Forces, Atlantic Fleet and executive assistant to the commander, U.S. Fleet Forces Command.

His flag assignments include director of Strategy and Policy (J5), U.S. Joint Forces Command; deputy director, Joint Force Coordinator (J31), the Joint Staff; commander, CSG-2, and director of Maritime Operations, U.S. Pacific Fleet.

Aquilino graduated from the Navy Fighter Weapons School (TOPGUN), the Joint Forces Staff College and completed Harvard Kennedy School's Executive Education Program in National and International Security.

Aquilino assumed duties as deputy chief of naval operations for Operations, Plans and Strategy in August 2015.

His awards include the Defense Superior Service Medal, Legion of Merit, Bronze Star Medal, Defense Meritorious Service Medal, Meritorious Service Medal, Air Medal, as well as several other personal unit and campaign awards. He has accumulated more than 5,100 mishap free flight hours and over 1,150 carrier-arrested landings.





---

---

**WITNESS RESPONSES TO QUESTIONS ASKED DURING  
THE HEARING**

MARCH 17, 2016

---

---



**RESPONSE TO QUESTION SUBMITTED BY MR. SCOTT**

Admiral CULLOM. Naval Aviation is currently experiencing a Ready Basic Aircraft (RBA) gap of more than 300 aircraft on the flight line. At this time, Naval Aviation is meeting approximately 77% of the RBA requirement. The Fiscal Year 2017 President's Budget request will incrementally increase the number of aircraft on the flight line in our most challenged type/model/series (T/M/S). With steady funding and consistent OFRP deployment schedules, the RBA gap is projected to recover by 2020. You will see full-spectrum readiness improvements as soon as those available assets appear on the flight line in significant numbers. [See page 16.]

**RESPONSE TO QUESTION SUBMITTED BY MS. STEFANIK**

Admiral HOWARD. The 71 percent dissatisfaction rate from wear test participants applies to feedback on the original Alternate Combination Cover (ACC) prototype. Alterations were made based on wear test feedback, and an improved, more comfortable variant was selected and is currently available for purchase in Navy uniform stores. Other uniform component changes have met with favorable opinions. For example, almost 90 percent of respondents liked the appearance of the new female chiefs' and officers' Service Dress White (SDW) Choker Coat.

These uniform changes create savings for the individual Sailor, the Navy, and the taxpayer. Enlisted personnel are paid an annual clothing replacement allowance (CRA) to cover the cost of required uniformed items. The SDW Choker Coat and ACC will only apply to Chief Petty Officers (E-7 to E-9.) The savings for the SDW Choker Coat against the current coat is estimated at \$85 per item and the savings for the ACC is \$20 per item. In the future, this will be result in a reduced CRA to the individual servicemembers at a total savings of \$122K annually. Additionally, personnel who purchase these items prior to the expected replacement rate of three years will benefit from the lower cost of the replacement uniforms.

Officers receive a one-time payment of \$400 to offset initial uniform costs but are otherwise required to pay for their uniforms. The new components will be an out-of-pocket expense to female officers estimated at \$300. If an officer has to replace one of the new items, they will pay less for the new components than they would for the previous versions. Price varies by rank for the new cover due to added detail for senior officers. For example, at the O5-O6 level, the officer would save approximately \$50; while at the O1-O4 level, the savings would be about \$20. [See page 9.]

○